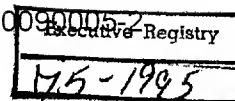




ARMED FORCES STAFF COLLEGE
OFFICE OF THE COMMANDANT
NORFOLK, VIRGINIA 23511



W

18 MAR 1975

Lieutenant General Vernon A. Walters, USA
Deputy Director
Central Intelligence Agency
Washington, D. C. 20505

Dear General Walters:

I'm sorry that a previous commitment in Pensacola precluded me from welcoming you to the College and hearing your excellent presentation. Colonel Krebs told me of the enthusiastic response to your talk and I look forward to hearing it on tape. He assured me it was the finest he ever heard on the role of the intelligence community. An understanding of the Central Intelligence Agency and how it ties together with the overall intelligence community is highly important in our course of instruction here. Therefore, I particularly appreciate your coming down and providing such an outstanding input to our curriculum.

I am sorry that the weather could not have been better, but I hope that you enjoyed your visit. I look forward to welcoming you to the next Class.

Again, many thanks for your fine support of the College.

Very respectfully,

A handwritten signature in cursive script, appearing to read "Jerry".

JEREMIAH A. DENTON, JR.
Rear Admiral, USN
Commandant

Page Denied

MEMORANDUM FOR: Nancy

Re the General's trip to Norfolk 14 March.

Col. Griffith called (804) 444-5109 or 444-5422
on 3 March 75. She wanted to know:

Who was accompanying

How arriving? (by automobile)

Was he staying for lunch? (yes)

When did he plan to leave? (right after lunch).

Called her back on 4 March (twice) to give
her above info.

Dottie
4 March 75

(DATE)

(over)

This has been changed. now 7 March 75

Approved For Release 2006/10/14 : CIA-RDP80R01731R001900090005-2

Called her back the second time because
she wanted to know the license # and make
of the car. (Green Chevrolet,)

STAT

Approved For Release 2006/10/14 : CIA-RDP80R01731R001900090005-2

3 March 1975

Colonel Shiver,

Attached is a biographic sketch
of General Walters per your
request.



STAT

Att: (1)

Executive Registry

75-112/10

20 January 1975

Rear Admiral J. A. Denton, Jr.
Commandant
Armed Forces Staff College
Norfolk, Virginia 23511

Dear Admiral Denton:

I will be happy to make another presentation on the National Intelligence Community to the 57th Class of the Armed Forces Staff College on 14 March 1975.

My office will be in touch with Lt Colonel Griffith to make final arrangements. I look forward to joining you again. With every good wish for a successful and prosperous new year,

Faithfully,

Lt Vernon A. Walters

Vernon A. Walters
Lieutenant General, USA

Distribution:

Original - Addressee

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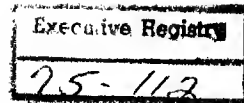
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ARMED FORCES STAFF COLLEGE
OFFICE OF THE COMMANDANT
NORFOLK, VIRGINIA 23511



7 JAN 1975

Lieutenant General Vernon A. Walters, USA
Deputy Director
Central Intelligence Agency
Washington, D. C. 20505

Dear General Walters:

The 57th Class of the Armed Forces Staff College begins in February, and I sincerely hope that you will be able to join us to give another presentation on the National Intelligence Community. The subject of the lecture for this class will be "The Role of the Intelligence Community in Support of National Security." Your visit would be an outstanding contribution to our course of study. Should your schedule preclude you from speaking to this class, we would be pleased to have as a replacement.

STAT

We have tentatively scheduled your address for Friday, 14 March 1975, at 1000. The normal procedure, you will recall, is for the lecture to last about 45 minutes, followed by a 15-minute break and a 45-minute question period. I hope that your schedule will permit you to remain for lunch.

Your lecture on, "The Role of the Intelligence Community in Support of National Security," is a key segment of our curriculum. In order to plan joint and combined operations, a joint staff officer must have a firm understanding of the role our intelligence community plays in the national security process. While the basic intelligence organization and intelligence functions are studied and taught throughout the course of instruction at AFSC, this particular lecture serves as the introduction and broad overview of United States intelligence resources.

During this introduction, there are several areas that are most germane to the curriculum and of special interest to the student body. The students, in seminar, will receive instruction on the basic organization of the intelligence community, and on the statutory inter-relationships among its various agencies. Of significant interest here

7 JAN 1975

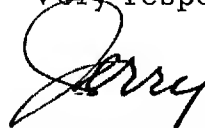
are your personal views on this organization from an historical perspective of American intelligence efforts. The contribution of the intelligence community to the national policy-making process and its role in overseas operations would also be of interest. A discussion of collection capabilities and limitations would serve to complete the picture of U. S. intelligence at the national level.

While the school is capable of outlining the organizational framework and functions of the intelligence community to the student, your personal experience and insights will flesh-out this skeletal framework and allow the student to develop a greater understanding of the importance and contribution of the national intelligence effort.

Lieutenant Colonel Ruth A. Griffith, USAF, of my Guest Speaker Office (Phone: (804) 444-5422), will complete the arrangements for your visit.

I look forward to welcoming you to the College.

Very respectfully,



JEREMIAH A. DENTON, JR.
Rear Admiral, USN
Commandant

Atch.

1. Class Composition
2. Course Summary
3. Information Sheet - Mission
4. Information Sheet - Administrative

COURSE SUMMARY

Course I Administration and Orientation: Contains the necessary academic matrix for orderly conduct of the curriculum. Included is the "Basis for National Security" block of instruction. This block is designed to familiarize the students with the process and mechanisms by which national security policy and decisions are made and includes both internal and external factors.

Course II U. S. Military Forces: Designed to establish a fundamental understanding of the doctrine, organization and capabilities of all U. S. military forces as a prerequisite to the study of joint and combined topics.

Course III Defense Management: Focuses on the planning, programming, and budgeting processes practiced within the United States Government, the Department of Defense and the service departments, and on the problems of allocation of resources, choices among alternatives, and trade-offs.

Course IV Organization and Command Relationships: Involves a study of the National Command structure, to include the National Security Council, Department of Defense, Joint Chiefs of Staff, U. S. Unified Commands and the NATO military organization.

Course V Joint Staff Responsibilities and Procedures: Is the College core curriculum. All the joint staff functions are studied in a step-by-step development of a common scenario and the use of the joint planning process.

Course VI Environment and Strategy: Covers a wide ranging spectrum of several blocks of instruction. Included are a series of lectures scheduled randomly throughout the curriculum and categorized generally as the United States environment and the international environment. The lectures familiarize the students with the broad national and international environment in which joint and combined forces operate. Major societal problems confronting contemporary leaders are explored by the students in seminar activity and lecture series. A NATO exercise and supporting lecture examine some of the military, psychological, economic, political, and geographical problems of the North Atlantic Treaty Organization. A week long strategy seminar that is the last academic event of the curriculum brings together all the products of the previous weeks of instruction.

Course VII Communicative Arts: Is initiated early in the curriculum and focuses on improving these essential skills largely through individual study and effort continuing throughout the entire class.

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MISSION

The Armed Forces Staff College was established on 13 August 1946 as a joint institution under the jurisdiction of the Joint Chiefs of Staff. The mission of the College is to conduct a course of study in joint and combined organization, planning, and operations, and in related aspects of national and international security, in order to enhance the preparation of selected US and Allied military and civilian officers for duty in all echelons of joint and combined command.

THE CLASS AND SEMINAR INFORMATION

Two 5-month courses are presented each year, terminating in January and June. In addition to approximately 250 U.S. officers of the Army, Navy, Air Force, Marine Corps and Coast Guard, the student body includes civilian representatives from several U.S. government agencies and normally allied officer students from Australia, Canada, France, New Zealand, West Germany, and the United Kingdom. The average age of the students is 35 and they are either majors or lieutenant colonels, or the military or civilian grade equivalent.

The students are grouped into seminars for the conduct of certain major units of instruction by the conference method. It is the policy of the College to provide seminar membership in multiples of 3 (Army, Navy/Marine Corps, Air Force) with allied officers and civilian students apportioned equally to all seminars as numbers permit. The composition of the seminar is designed to assure maximum range of rank, experience, and Service specialization. However, the extent to which seminar representation can reflect Service specialization must be kept compatible with the degree of individual participation desired in seminar work and possible only in small discussion groups. It is an important facet of instruction that students share thinking in a personal way, that fellowship be cultivated, and that individual responsibility for the group's efficiency be stressed. To foster its academic principles most effectively and to derive maximum benefit from conference-type instruction, the College holds that the optimum number of students per seminar is no fewer than 12 and no more than 18.

Faculty officers, of different military Services, are detailed to each seminar as permanent advisers. The responsibility of the permanent faculty adviser is to provide guidance and assistance to his assigned students, and the relationship is necessarily a close one.

From time to time temporary seminars are formed by interchanging students among seminars. One faculty adviser is delegated responsibility for each temporary seminar for the purpose of conducting a single unit of instruction; upon completion of the unit another set of temporary seminars may be formed or the students may return to their permanent seminars. This procedure assists in accomplishing College objectives by giving students the opportunity to exchange ideas with the maximum number of other officers.

STUDENT SECURITY CLEARANCE

All U.S. students are cleared for Top Secret information; each allied student is cleared by his own government for information of a classification equivalent to U.S. Top Secret. Essentially the College respects the clearance afforded the students by their governments insofar as is permitted by U.S. security regulations contained in the National Policy and Procedures for the Disclosure of Classified Military Information to Foreign Governments and International Organizations (NDP-1).

THE GUEST SPEAKER PROGRAM

The guest speaker program is one of the most interesting and important features of the Staff College curriculum, for it provides the students with an opportunity to personally hear and question distinguished men and women whose contributions have made them leaders in their fields. Guest lecturers are encouraged to present their views in an environment of academic freedom, while students are urged to conduct responsible intellectual inquiry in the question and answer period.

Guest lectures usually support specific seminar instruction and are scheduled with the associated block of instruction; however, the Staff College also supports or participates in several special lecture series which complement the curriculum as a whole and are scheduled throughout the course. The General Delos C. Emmons series, which was inaugurated on 23 October 1969 to honor the first Commandant of the Staff College, highlights speakers of special eminence. The Art of Command Lectures, established in 1970 and also part of the Delos C. Emmons series, present the personal views of some of the most successful commanders of our time. Lectures of current interest are interspersed throughout the course, and annually the Staff College participates in the Kermit Roosevelt Lecture Program, a British-U.S. supported exchange lecture series.

AUDITORIUM PROCEDURES

All guest lectures are presented in the College auditorium in Normandy Hall. The auditorium seats approximately 700 persons, but audiences do not normally exceed 300. Attendance is limited to the faculty, staff, and student body of the College and to senior officers of the Armed Services from adjacent commands. The speaker's rostrum is equipped with a lapel microphone to permit freedom of movement on the platform. The public address system is regulated to conform to the speaker's voice for audibility throughout the auditorium.

It is customary for guest speakers to give a 45-minute address. After a short break, which affords the students an opportunity to formulate questions on the subject presented, there is a discussion period during which the speaker answers questions from the audience. A member of the faculty monitors this period; student assistants handle microphones, which are passed to prospective questioners in the audience. Students are encouraged to participate in accordance with their education, training, and experience. The speaker can expect them to be a receptive audience, asking timely and stimulating questions which may touch upon controversial aspects of the subject, delve further into it, or call for clarification of certain points raised by the speaker. Since the real value of the guest speaker program is the frank discussion of classified or controversial subjects by eminent speakers, the College safeguards this privilege of free expression. The auditorium is secure and intellectual freedom is a fact. The speaker can be assured that his words will carry no further than his audience.

No notes are taken, but the lectures and informal question periods are recorded; however, if the guest speaker requests, no recording will be made. A tape recording of the lecture can be provided the speaker, if required. Transcripts of guest lectures are not made available to agencies or persons outside the College.



TRANSPORTATION

Commercial

Norfolk Regional Airport, which is approximately 30 minutes from the Staff College, is served by four commercial airlines: United, National, Piedmont, and Allegheny.

Military

Norfolk NAS (Chambers Field)

Located 15 minutes from the Staff College by automobile. Norfolk NAS is the most convenient arrival point. Aircraft will be directed to taxi to Base Operations where the AFSC escort officer will meet the guest speaker and accompany him to the Staff College.

Langley AFB (Hampton, Virginia)

Langley AFB is approximately 30 minutes from the Staff College by automobile.

Oceana NAS (Soucek Field)

Located in Virginia Beach, Oceana is approximately 35 minutes from AFSC by automobile.

ESCORT

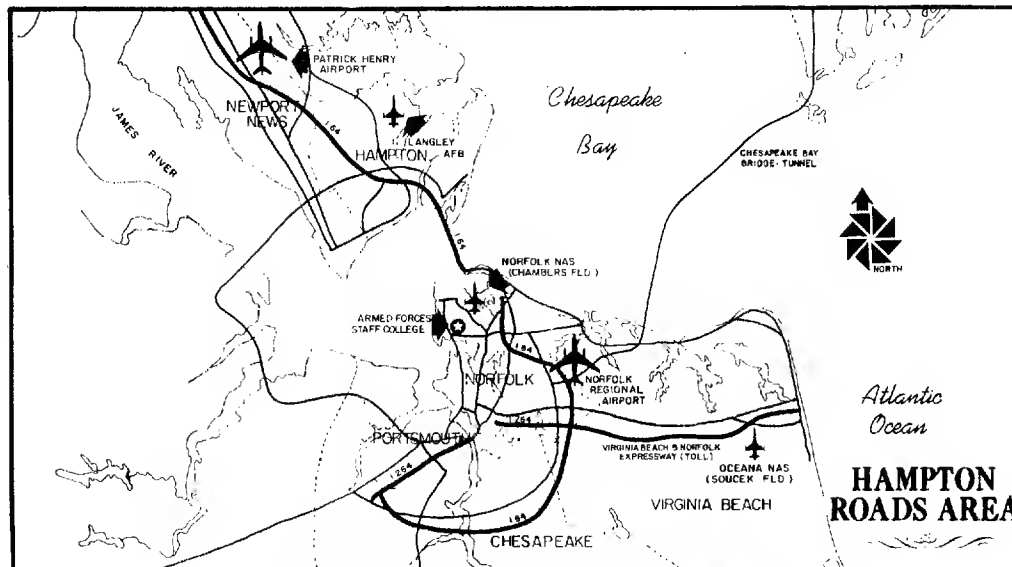
Upon arrival in Norfolk, guest speakers are met by a member of the faculty who will provide any assistance, including storage of classified material. The speaker should inform the Guest Speaker Office of his method of travel and time and place of arrival as soon as practicable.

QUARTERS AND MEALS

There are a few military facilities which can accommodate families should the guest or a member of his party be accompanied. Additionally, there are many motels in the area, and the AFSC Guest Speaker Office will be happy to make all quarters arrangements for the speaker and his party.

The Norfolk area boasts a number of fine restaurants and, with the many military installations, offers a number of officers' clubs with excellent dining facilities.

MAP OF LOCAL AREA



IMPORTANT TELEPHONE NUMBERS

Armed Forces Staff College Dispensary

dial 444-5052

(After duty hours a duty corpsman is on duty and can contact the On-call Medical Officer.)

Autovon

To make Autovon calls dial 444-7861 (Naval Communications Center) and give the Autovon number to the operator.

The AFSC Autovon number is 690 plus the extension (i.e., 690-5302).

AFSC Duty Officer - 444-5132

Guest Speaker Office - 444-5422/5109

Motor Pool

duty hours - 444-5529

non duty hours - 444-5542

AFSC BOQ

Desk - 444-5311

DEPARTMENT OF THE NAVY

Office of the Commandant
Armed Forces Staff College
Norfolk, Virginia 23511

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE, \$300

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DEPARTMENT OF THE NAVY
DOD-316



Lieutenant General Vernon A. Walters, USA
Deputy Director
Central Intelligence Agency
Washington, D. C. 20505

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later attached

ARMED FORCES STAFF COLLEGE
14 MARCH 1975

THE NATIONAL INTELLIGENCE COMMUNITY

ADMIRAL DENTON, GENTLEMEN:

TODAY I WOULD LIKE TO COVER FOR YOU BRIEFLY THE RESPONSIBILITIES OF DCI AND HOW HE CARRIES THEM OUT, SHOW YOU HOW THE INTELLIGENCE STRUCTURE IS PUT TOGETHER AT THE NATIONAL LEVEL, REFLECT ON THE TRENDS IN INTELLIGENCE AT THE NATIONAL LEVEL, AND NOTE THE CURRENT ISSUES AND PROBLEMS THAT THE DCI FACES.

ONE THING TO BE UNDERSTOOD AT THE OUTSET: THE DIRECTOR OF CENTRAL INTELLIGENCE WEARS TWO HATS -- UNDER ONE, HE IS THE PRESIDENT'S PRINCIPAL INTELLIGENCE ADVISOR. JUST AS A DIVISION COMMANDER HAS HIS G-2, SO THE COMMANDER-IN-CHIEF HAS HIS DCI. IN THIS ROLE AS THE NATION'S SENIOR INTELLIGENCE OFFICER, COLBY DOES NOT COMMAND OTHER INTELLIGENCE CHIEFS AND AGENCIES ANYMORE THAN DIVISION G-2 COMMANDS BRIGADE S-2'S. SINCE NOVEMBER 1971, HOWEVER, HE HAS BEEN DIRECTED BY THE PRESIDENT TO EXPRESS HIS VIEWS ON THE ALLOCATION OF RESOURCES TO NATIONAL INTELLIGENCE PROGRAMS AND TO COMMENT ON AND JUSTIFY THE INTELLIGENCE PROGRAMS AND BUDGETS OF THE OTHER INTELLIGENCE AGENCIES.

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UNDER HIS OTHER HAT, COLBY RUNS CIA. THIS IS A SEPARATE JOB, HOWEVER. AND, IN POINT OF FACT, HE SPENDS, OR UNTIL RECENTLY HAS BEEN SPENDING, MORE TIME AS THE PRESIDENT'S INTELLIGENCE OFFICER AND LEADER OF THE INTELLIGENCE COMMUNITY THAN HE DOES RUNNING THE CENTRAL INTELLIGENCE AGENCY.

IN A FEW MINUTES, I'LL TALK ABOUT THE CIA ORGANIZATION BRIEFLY SO YOU CAN UNDERSTAND THE ROLE OF THE AGENCY IN THE INTELLIGENCE COMMUNITY. BUT, FIRST I WANT TO DESCRIBE THE COMMUNITY, ITS RELATIONSHIPS, THE COORDINATING MACHINERY THAT TIES IT TOGETHER, AND HOW IT RESPONDS TO THE WASHINGTON-LEVEL NATIONAL AUTHORITIES IT IS SET UP TO SERVE.

*Slide #1
Intelligence
Community*

THE CENTRAL INTELLIGENCE AGENCY, ~~ABOUT WHICH I SHALL SAY MORE IN DUE TIME~~, IS, OF COURSE, PART OF THE INTELLIGENCE COMMUNITY.

SECOND, THERE IS THE DEFENSE INTELLIGENCE AGENCY, WHICH IS RESPONSIBLE FOR PROVIDING GENERAL INTELLIGENCE SUPPORT TO THE OFFICE OF THE SECRETARY OF DEFENSE AND THE JOINT CHIEFS OF STAFF.

THE INTELLIGENCE UNITS OF THE ARMY, NAVY, AND AIR FORCE CONTINUE TO SUPPORT THE PARTICULAR MISSIONS OF EACH ONE OF THE SERVICES. MUCH OF THE WORK OF THE

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THREE SERVICE INTELLIGENCE COMPONENTS IS COORDINATED BY THE DIRECTOR OF DIA.

IN THE STATE DEPARTMENT, THERE IS AN INTELLIGENCE UNIT, THE BUREAU OF INTELLIGENCE AND RESEARCH (INR), WHICH SERVES THE SECRETARY OF STATE AND THE POLICY PLANNERS. IN A SENSE ALL OUR DIPLOMATIC PERSONNEL ARE INTELLIGENCE GATHERERS. BUT THERE IS ALSO A REQUIREMENT FOR MEN WHO APPLY THEMSELVES PROFESSIONALLY TO THE ANALYSIS OF THAT INFORMATION TO DETERMINE ITS BEARING ON PRESENT AND FUTURE IMPLICATIONS FOR US FOREIGN POLICY.

THE INTELLIGENCE COMPONENT IN THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION (ERDA), THE SUCCESSOR TO THE AEC, HAS A SPECIALIZED CHARTER DEVOTED TO THE VITAL FIELD OF INTELLIGENCE ON NUCLEAR ENERGY DEVELOPMENTS.

A PRIMARY RESPONSIBILITY OF THE FEDERAL BUREAU OF INVESTIGATION IS THE INTERNAL SECURITY OF THE UNITED STATES, BUT YOU CAN EASILY IMAGINE THE VITAL CONNECTION BETWEEN FOREIGN INTELLIGENCE AND INTERNAL SECURITY. SO THE FBI, TOO, IS A MEMBER OF THE INTELLIGENCE COMMUNITY. THE FBI AND CIA WORK VERY CLOSELY TOGETHER. IT ALSO SHOULD BE STRESSED HERE THAT BY LAW CIA HAS NO DOMESTIC INTERNAL SECURITY RESPONSIBILITY.

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IN RECOGNITION OF THE GROWING IMPORTANCE OF ECONOMIC INTELLIGENCE, THE TREASURY DEPARTMENT WAS OFFICIALLY ADDED TO THE INTELLIGENCE COMMUNITY BY PRESIDENT NIXON IN NOVEMBER 1971.

LASTLY, AND VERY IMPORTANTLY, THERE IS THE NATIONAL SECURITY AGENCY.

THESE, THEN, ARE THE INDIVIDUAL MEMBERS OF THE INTELLIGENCE COMMUNITY -- CIA, STATE, DIA, NSA, AND THE SERVICE INTELLIGENCE COMPONENTS, ERDA, TREASURY, AND THE FBI.

IN ORDER TO ROUND OUT THE PICTURE OF THE COMMUNITY, I MUST ADD A NUMBER OF WHAT WE CALL "SERVICES OF COMMON CONCERN." IT MIGHT BE MORE ENLIGHTENING TO CALL THEM NATIONAL INTELLIGENCE ASSETS. THESE ARE ACTIVITIES WHICH SERVE THE ENTIRE GOVERNMENT RATHER THAN ANY PARTICULAR DEPARTMENT OR AGENCY. SUCH AN ACTIVITY MAY BE MANAGED, STAFFED AND FUNDED BY ONE AGENCY, BUT ACTUALLY OPERATE DIRECTLY FOR THE ENTIRE INTELLIGENCE COMMUNITY.

THE LARGEST OF THESE NATIONAL INTELLIGENCE ASSETS IS THE NATIONAL SECURITY AGENCY, WHICH IS RESPONSIBLE FOR CRYPTOLOGIC INTELLIGENCE -- INTERCEPTING AND DECODING ELECTRICALLY TRANSMITTED MESSAGES. ITS PRODUCT IS DISSEMINATED WITH ADMIRABLE SPEED THROUGHOUT THE

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INTELLIGENCE COMMUNITY, AND HAS PLAYED A VITAL ROLE IN MANY OF OUR MOST CRUCIAL INTELLIGENCE JUDGMENTS OVER THE YEARS.



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OTHER IMPORTANT NATIONAL INTELLIGENCE ASSETS ARE THE NATIONAL PHOTOGRAPHIC INTERPRETATION CENTER, AND THE FOREIGN BROADCAST INFORMATION SERVICE. THESE ARE PART OF CIA.

THIS IS A QUICK LOOK AT THE PRINCIPAL ELEMENTS OF THE INTELLIGENCE COMMUNITY. AGAINST THIS BACKGROUND LET US NOW LOOK AT THE ROLE OF THE DCI.

THE NATIONAL SECURITY ACT OF 1947 CREATED THE CIA AND ALSO THE OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE. WHILE THE DIRECTOR WAS THE CHIEF OF THE CIA, HE WAS ALSO CHARGED WITH COORDINATING THE ENTIRE FOREIGN INTELLIGENCE EFFORT OF THE US GOVERNMENT. THIS LATTER TASK WAS PERFORMED IN VARIOUS WAYS AND WITH VARIOUS DEGREES OF EFFECTIVENESS BY SUCCESSIVE DIRECTORS THROUGH THE YEARS.

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HOWEVER, A STEADILY EXPANDING INTELLIGENCE COMMUNITY DURING THE 1960s, ACCOMPANIED BY EVER-INCREASING INTELLIGENCE BUDGETS, STIMULATED THE NATIONAL LEADERSHIP IN 1971 TO CALL FOR MORE EFFECTIVE COORDINATION OF THE ENTIRE COMMUNITY BY THE DCI.

ON NOVEMBER 5, 1971, IN A DEVELOPMENT OF MAJOR SIGNIFICANCE FOR NATIONAL INTELLIGENCE, THE PRESIDENT DIRECTED THE DCI TO TAKE ^{IMPORTANT} ~~SIGNIFICANT~~ MANAGEMENT STEPS FOR IMPROVING THE EFFECTIVENESS OF THE INTELLIGENCE COMMUNITY. I WOULD LIKE TO REVIEW THESE STEPS WITH YOU, AND ELABORATE ON HOW SOME OF THE MACHINERY OF THE COMMUNITY OPERATES.

THE PRESIDENT'S OBJECTIVES IN DIRECTING THESE MANAGEMENT STEPS WERE TO ENSURE:

- CONTINUING REVIEW OF THE RESPONSIVENESS OF THE US INTELLIGENCE EFFORT TO HIS NEEDS.
- STRENGTHENED LEADERSHIP FOR THE COMMUNITY AS A WHOLE.
- MORE EFFICIENT USE OF RESOURCES IN THE COLLECTION OF INTELLIGENCE INFORMATION.
- AN EXAMINATION OF INTELLIGENCE PROGRAMS WITH A VIEW TO ELIMINATING THE LEAST PRODUCTIVE ONES.

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- IMPROVEMENT IN THE QUALITY, SCOPE, AND TIME-
LINESS OF INTELLIGENCE INFORMATION.

JUST WHAT MANAGEMENT IMPROVEMENTS WERE DIRECTED
BY THE PRESIDENT? THE FOUR FOLLOWING STEPS REPRESENT
THE MAJOR CHANGES:

- AN ENHANCED LEADERSHIP AND PROGRAM ADVISORY
ROLE FOR THE DIRECTOR OF CENTRAL INTELLIGENCE.
- ESTABLISHMENT OF A NATIONAL SECURITY COUNCIL
INTELLIGENCE COMMITTEE.
- ESTABLISHMENT OF AN INTELLIGENCE RESOURCES
ADVISORY COMMITTEE.
- RECONSTITUTION OF THE UNITED STATES INTELLIGENCE
BOARD. ~~THIS~~ THIS DIRECTIVE WAS REAFFIRMED BY
PRESIDENT FORD IN A LETTER TO MR. COLBY ON
OCTOBER 9, 1974.

LET US DISCUSS THESE CHANGES, BRIEFLY, ONE BY ONE.

AS WE HAVE SEEN, THE DIRECTOR OF CENTRAL INTELLI-
GENCE HAS ALWAYS HAD A RESPONSIBILITY FOR DEVELOPING
REQUIREMENTS FOR NATIONAL INTELLIGENCE AND FOR COOR-
DINATING ITS PRODUCTION. UNDER THE RESTRUCTURING DIRECTED
BY THE PRESIDENT, THE DIRECTOR OF CENTRAL INTELLIGENCE
WAS ASKED TO FORMULATE A CONSOLIDATED INTELLIGENCE PRO-
GRAM BUDGET, AND TO RECONCILE INTELLIGENCE REQUIREMENTS
AND PRIORITIES WITH BUDGETARY CONSTRAINTS. WHILE THE
PRESIDENTIAL DIRECTIVE DID NOT GIVE THE DCI ANY IN-

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CREASED COMMAND AUTHORITY OVER THE OTHER COMPONENTS OF THE INTELLIGENCE COMMUNITY, HE WAS GIVEN THE SIGNIFICANT NEW RESPONSIBILITY OF BEING INFORMED ON AND EXPRESSING VIEWS WITH RESPECT TO THE ALLOCATION OF ALL INTELLIGENCE RESOURCES IN THE COMMUNITY, PARTICULARLY THOSE OF A NATIONAL CHARACTER. IN THIS REGARD THE DIRECTOR MAY BE CALLED ON BY THE PRESIDENT, THE KEY CONGRESSIONAL COMMITTEES AND BY THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET TO COMMENT ON AND DEFEND THE INTELLIGENCE PROGRAMS AND BUDGETS OF THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF STATE. WHILE THE AUTHORITY TO INFLUENCE BUDGETS CARRIES CONSIDERABLE WEIGHT, THE OBJECTIVES OF THE PRESIDENT'S DIRECTIVE WILL CONTINUE TO BE ACCOMPLISHED LARGELY THROUGH COOPERATION, HARD WORK, AND GOOD SENSE. I THINK WE HAVE MADE A PROMISING START.

OTHER CHANGES DIRECTED BY THE PRESIDENT CONSIST OF VARIOUS COORDINATING MECHANISMS THAT SHOULD MAKE FOR MORE EFFECTIVE CONTROL OF THE INTELLIGENCE COMMUNITY. LET US LOOK AT THESE MECHANISMS, AND SEE WHAT THEY ARE DESIGNED TO ACCOMPLISH.

*Slide #2 Rel. of DCI
to Pres. & Intel.
Community*

NSCIC

THE NATIONAL SECURITY COUNCIL INTELLIGENCE COMMITTEE FILLS A GAP THAT HAD BECOME QUITE WORRISOME OVER THE YEARS. THERE WAS NO ARRANGEMENT FOR SYSTEMATIC FEED-

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BACK OF CRITICISM AND COMMENT FROM HIGH POLICY USERS OF FINISHED INTELLIGENCE. THE NEW COMMITTEE IS CHAIRED BY DR. KISSINGER, AND ITS MEMBERS ARE THE UNDER SECRETARY OF STATE, THE DEPUTY SECRETARY OF DEFENSE, THE ATTORNEY GENERAL, THE CHAIRMAN OF THE JCS, AND THE DCI -- IN OTHER WORDS, THE POLICY LEVEL FOR WHICH NATIONAL INTELLIGENCE IS DESIGNED.

WITH THIS COMMITTEE, THE PRESIDENT HAS CREATED A FORMAL GROUP OF SENIOR POLICY OFFICIALS TO DEVELOP GUIDANCE FOR THE INTELLIGENCE PRODUCT NEEDED TO SUPPORT THE FORMULATION OF U.S. FOREIGN AND DEFENSE POLICY. THIS COMMITTEE WILL ALSO PROVIDE FOR A CONTINUING EVALUATION OF THE INTELLIGENCE PRODUCT FROM THE STANDPOINT OF PRIME INTELLIGENCE USERS.

THIS WILL ENABLE THE INTELLIGENCE COMMUNITY TO RESPOND IN A MORE ORDERLY, TIMELY, AND EFFECTIVE MANNER TO THE NATIONAL INTELLIGENCE NEEDS.

IRAC

ANOTHER NEW ELEMENT CREATED BY THE 1971 DIRECTIVE WAS THE INTELLIGENCE RESOURCES ADVISORY COMMITTEE (IRAC). IT IS CHAIRED BY THE DCI AND INCLUDES REPRESENTATIVES OF STATE, DEFENSE, OMB AND CIA. THIS COMMITTEE IS ADVISORY TO THE DCI IN HIS RESOURCES

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MANAGEMENT ROLE. IT ASSISTS IN THE DEVELOPMENT AND REVIEW OF THE ANNUAL NATIONAL FOREIGN INTELLIGENCE PROGRAM, WHICH IS A COMPOSITE OF ALL THE SEPARATE NATIONAL AND DEPARTMENTAL PROGRAMS CONTRIBUTING TO THE NATIONAL INTELLIGENCE EFFORT. BASED ON THE IRAC REVIEW OF THESE PROGRAMS, THE DCI SUBMITS EACH YEAR TO THE PRESIDENT HIS RECOMMENDATIONS ON THE LEVEL OF EFFORT AND THE MIXTURE OF ACTIVITIES WHICH, IN HIS JUDGMENT, NEED TO BE FUNDED FOR THE ATTAINMENT OF THE NATIONAL INTELLIGENCE OBJECTIVES. THESE RECOMMENDATIONS, ONCE APPROVED BY THE PRESIDENT, CONSTITUTE THE BASIS FOR THE INTELLIGENCE PORTION OF THE PRESIDENT'S BUDGET AS IT IS SENT TO CONGRESS.

AS YOU CAN APPRECIATE, THE ASSISTANT SECRETARY OF DEFENSE FOR INTELLIGENCE, DR. HALL, PLAYS A VERY MAJOR ROLE IN THE WORK OF THE IRAC. OF ALL THE INTELLIGENCE RESOURCES BEING REVIEWED, SOME 80 PERCENT ARE WITHIN THE DEFENSE BUDGET, AND THESE ARE SPECIFICALLY DR. HALL'S RESPONSIBILITY.

IT IS MR. COLBY'S POLICY TO INVITE THE DIRECTOR OF NSA AND THE DIRECTOR OF DIA TO PARTICIPATE IN IRAC PROCEEDINGS IN THEIR CAPACITY AS NATIONAL INTELLIGENCE PROGRAM MANAGERS.

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IR&D

IN THE FALL OF 1973, THE DCI ESTABLISHED A SUBCOMMITTEE OF IRAC TO PROVIDE A FORUM FOR THE MUTUAL EXCHANGE OF R&D INFORMATION. THE INTELLIGENCE RESEARCH AND DEVELOPMENT COUNCIL IS CHAIRED BY DR. MALCOLM CURRIE, THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING, AND INCLUDES AS MEMBERS ALL PROGRAM MANAGERS FOR INTELLIGENCE OR INTELLIGENCE-RELATED R&D ACTIVITIES IN THE GOVERNMENT. THE SPACE SHUTTLE -- MASS DATA STORAGE -- REMOTE SENSOR TECHNOLOGY -- ARE SOME OF THE AREAS WHICH HAVE BEEN SELECTED FOR FURTHER ATTENTION BY THE COUNCIL AS PART OF ITS PROGRAM TO IDENTIFY GAPS WHICH COULD BENEFIT FROM MORE R&D EFFORT. THIS COUNCIL HAS CLEARLY BECOME ONE OF THE MOST SIGNIFICANT AND PRODUCTIVE BODIES IN THE INTELLIGENCE COMMUNITY STRUCTURE.

USIB

WHILE THE IRAC SERVES AS THE COORDINATING BODY TO ADVISE THE DCI ON RESOURCE MANAGEMENT, THE FULL RANGE OF SUBSTANTIVE INTELLIGENCE COORDINATION IS ACCOMPLISHED THROUGH THE U.S. INTELLIGENCE BOARD (USIB) STRUCTURE. THIS BOARD HAS EXISTED ON ONE FORM OR ANOTHER FOR A NUMBER OF YEARS.

THIS BOARD WAS ESTABLISHED UNDER DIRECTIVES OF THE NATIONAL SECURITY COUNCIL THE DIRECTOR OF

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CENTRAL INTELLIGENCE, BY NATIONAL SECURITY COUNCIL DIRECTIVE, IS THE CHAIRMAN OF USIB. THIS, BY THE WAY, IS ONE PLACE WHERE THE DIRECTOR'S TWO JOBS -- HIS "TWO HATS" -- ARE VERY CAREFULLY DIFFERENTIATED. WHEN HE CHAIRS THE U.S. INTELLIGENCE BOARD, HE IS THERE AS THE PRESIDENT'S PRINCIPAL INTELLIGENCE OFFICER, NOT AS THE HEAD OF CIA. THE USIB PASSES ON THE AGREED, COORDINATED JUDGMENTS OF THE ENTIRE INTELLIGENCE COMMUNITY -- WHAT WE CALL "NATIONAL INTELLIGENCE" -- AND IT MIGHT HAMPER THIS FUNCTION IF THE DIRECTOR WERE SIMULTANEOUSLY TO ACT AS CHAIRMAN AND TO ADVANCE THE VIEWS OF THE CENTRAL INTELLIGENCE AGENCY. FOR THIS REASON, CIA HAS SEPARATE REPRESENTATION ON THE BOARD IN THE PERSON OF THE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE.

THE OTHER PRINCIPALS ARE:

THE STATE DEPARTMENT DIRECTOR OF INTELLIGENCE AND RESEARCH;

THE DIRECTOR OF THE DEFENSE INTELLIGENCE AGENCY;

THE DIRECTOR OF THE NATIONAL SECURITY AGENCY;

THE DEPUTY ASSISTANT ADMINISTRATOR OF THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION;

THE ASSISTANT TO THE DIRECTOR OF THE FBI; AND
A REPRESENTATIVE OF THE TREASURY DEPARTMENT.

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SINCE THE ESTABLISHMENT OF DIA, THE INTELLIGENCE CHIEFS OF THE ARMY, NAVY, AND AIR FORCE HAVE CONTINUED TO ATTEND AND PARTICIPATE IN USIB, BUT AS OBSERVERS RATHER THAN AS OFFICIAL MEMBERS.

THE FACT IS, HOWEVER, THAT THEY ARE ACTUALLY FULL PARTICIPANTS. MR. COLBY SOLICITS THEIR VIEWS ON ALL MATTERS. ALSO, THEY HAVE FULL MEMBERSHIP ON ALL USIB COMMITTEES. MR. COLBY HAS ALSO INVITED DR. HALL TO PARTICIPATE IN USIB MEETINGS, AND HE IS INDEED ACTIVE IN ALL BOARD DISCUSSIONS PARTICULARLY THOSE WHICH ARE RESOURCE-RELATED.

THE ROLE OF THE USIB IS TO ASSIST AND ADVISE THE DCI IN THE ESTABLISHMENT OF INTELLIGENCE OBJECTIVES, THE IDENTIFICATION AND PRIORITY ORDERING OF REQUIREMENTS, THE PRODUCTION OF NATIONAL INTELLIGENCE ESTIMATES AND OTHER STUDIES, THE DISSEMINATION AND PRESENTATION OF INTELLIGENCE, AND THE SECURITY POLICY ASPECTS OF PROTECTING INTELLIGENCE SOURCES AND METHODS.

USIB COMMITTEES

BECAUSE OF THE SCOPE OF ITS CONCERNS AND THE CONTINUOUS NATURE OF ITS WORK, THE USIB IS SUPPORTED BY 13 FULL-TIME COMMITTEES, EACH STAFFED BY REPRESENTATIVES OF THE SAME AGENCIES OR DEPARTMENTS HAVING

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MEMBERSHIP ON THE BOARD. THESE COMMITTEES GENERALLY FALL INTO THREE FUNCTIONAL CATEGORIES OF COLLECTION, SUBSTANTIVE PRODUCTION, AND SUPPORT PROCESSES. THE COMMITTEE CHAIRMEN, MANY OF THEM FULL-TIME IN THEIR CHAIRMENSHIP, ARE APPOINTED FROM ANY MEMBER AGENCY OF THE BOARD AND ARE ALL RESPONSIBLE TO THE DCI IN HIS CAPACITY AS CHAIRMAN OF USIB.

ALTHOUGH THE USIB AND THE IRAC REPRESENT THE PRINCIPAL ADVISORY BODIES FOR DCI COORDINATION OF SUBSTANTIVE AND RESOURCE MANAGEMENT MATTERS IN THE COMMUNITY, THERE ALSO WAS THE NEED FOR FULL-TIME STAFF SUPPORT IN THE GENERAL AREAS OF MANAGEMENT AND EVALUATION, AND IN THE SUBSTANTIVE FIELD. TO MEET THESE NEEDS AND TO REPLACE SOME RELATIVELY OUT-MODED ACTIVITIES, THE DCI CREATED THE NATIONAL INTELLIGENCE OFFICERS AND THE INTELLIGENCE COMMUNITY STAFF.

NIOs

ESTABLISHED BY MR. COLBY IN OCTOBER OF 1973 UNDER THE DIRECTION OF MR. GEORGE CARVER, DEPUTY TO THE DCI FOR NATIONAL INTELLIGENCE OFFICERS, THE NIOs ARE THE DCI'S PRINCIPAL STAFF OF OFFICERS AND PERSONAL REPRESENTATIVES FOR SPECIFIC GEOGRAPHIC AREAS AND FUNCTIONAL SUBJECTS AND ARE RESPONSIBLE TO HIM FOR

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THE ENTIRE INTELLIGENCE PROCESS, WITH SPECIAL EMPHASIS ON THE PRODUCTION OF ESTIMATES AND OTHER NATIONAL PRODUCTS. THEIR JOB IS TO ENLIST ALL ELEMENTS OF THE COMMUNITY IN THE DEVELOPMENT OF THE BEST POSSIBLE ASSESSMENTS OF THE INTELLIGENCE QUESTIONS FACING THE POLICYMAKERS. (THE DCI HAS INSTRUCTED THAT COMMUNITY REPORTS AND ESTIMATES BE INDEPENDENT OF POLICY PRESSURE AND OBJECTIVE IN TONE AND CONTENT, AND INCORPORATE MINORITY OR ADVERSE VIEWS WHEN THESE EXIST.)

INTELLIGENCE COMMUNITY STAFF

THE PRESENT INTELLIGENCE COMMUNITY STAFF HAD ITS BEGINNING IN A SMALL NATIONAL INTELLIGENCE PROGRAMS EVALUATION STAFF ESTABLISHED IN 1963 TO LOOK AT COMMUNITY PROBLEMS ON AN AD HOC BASIS.

FOLLOWING THE PRESIDENTIAL DIRECTIVE OF NOVEMBER 1971, THIS NUCLEUS WAS EXPANDED BY MR. HELMS INTO THE INTELLIGENCE COMMUNITY STAFF WITH A FAR BROADER MISSION. HOWEVER, IN SPITE OF ITS NAME, IT, LIKE ITS PREDECESSOR, WAS STILL, FOR THE MOST PART, MANNED BY CIA OFFICERS. WHEN DR. SCHLESINGER BECAME DCI IN EARLY 1973, HE REORGANIZED THE STAFF TO MAKE IT REPRESENTATIVE OF THE ENTIRE COMMUNITY. THIS STAFF BEGAN TO HIT ITS STRIDE WITH THE ASSIGNMENT OF LTG ALLEN, FOLLOWED

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BY LTG GRAHAM. AS YOU ARE AWARE, BOTH OF THESE OFFICERS HAVE MOVED ON TO HEAD MAJOR AGENCIES OF THE COMMUNITY.

THE IC STAFF IS ORGANIZED TO SUPPORT THE DCI IN THE FOUR PRIMARY AREAS OF HIS COMMUNITY RESPONSIBILITY -- RESOURCES MANAGEMENT, COLLECTION AND PROCESSING, PRODUCT IMPROVEMENT, AND COORDINATION AND PLANNING.

THE PRESENT IC STAFF IS A BLEND OF CIA PROFESSIONAL PERSONNEL, ACTIVE-DUTY INTELLIGENCE OFFICERS FROM THE MILITARY SERVICES, CIVILIAN REPRESENTATIVES FROM NSA, DIA, AND THE STATE DEPARTMENT, PLUS A FEW INDIVIDUALS DRAWN FROM PRIVATE INDUSTRY. ALTHOUGH HOUSED IN THE CIA HEADQUARTERS BUILDING, THE IC STAFF SUPPORT TO THE DCI IS CLEARLY IN A COMMUNITY SENSE, AND IT DEALS WITH ALL AGENCIES AND DEPARTMENTS ON AN EQUAL BASIS, THE CENTRAL INTELLIGENCE AGENCY BEING ONE AMONG SEVERAL.

LET'S TURN BRIEFLY TO MR. COLBY'S SECOND HAT AS DIRECTOR OF CIA.

THE DCI IS THE ADMINISTRATIVE HEAD OF CIA. IT IS THE ONLY AGENCY OF THE INTELLIGENCE COMMUNITY OVER WHICH HE EXERCISES COMMAND RESPONSIBILITY. WHILE HE DELEGATES MUCH OF THE DAY-TO-DAY RUNNING OF THE AGENCY TO HIS DEPUTIES, HE IS MANAGER OF CIA, ESTABLISHING POLICY AND MAKING COMMAND DECISIONS. HE IS

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ACCOUNTABLE FOR ALL THE ACTIVITIES ENGAGED IN BY
THE AGENCY IN THE FURTHERANCE OF ITS MISSION.

THE MISSION AND FUNCTIONS OF CIA ARE PROVIDED
FOR IN THE NATIONAL SECURITY ACT OF 1947. SPECIFICALLY,
CIA'S PRIMARY FUNCTIONS FALL INTO THREE BROAD CATEGORIES:

- COLLECTION OF INTELLIGENCE;
- COVERT ACTION OPERATIONS; AND
- PRODUCTION OF FINISHED INTELLIGENCE.

CIA COLLECTS INTELLIGENCE INFORMATION IN THE
FIELD IN THE FOLLOWING WAYS:

- (1) OVERT COLLECTION -- MONITORING OF FOREIGN RADIO
AND TELEVISION BROADCASTS AND THE EXPLOITATION OF
FOREIGN LANGUAGE PUBLICATIONS FOR INTELLIGENCE
PURPOSES.

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- (2) CLANDESTINE COLLECTION -- CIA HAS THE PRI-
MARY RESPONSIBILITY FOR U.S. CLANDESTINE ACTIVI-
TIES ABROAD: ESPIONAGE, CLANDESTINE COUNTER-
INTELLIGENCE, AND LIAISON WITH FOREIGN INTELLIGENCE
SERVICES.

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(3) TECHNICAL COLLECTION AND PROCESSING -- CIA HAS MAJOR RESPONSIBILITIES IN THE FIELDS OF RECONNAISSANCE AND IMAGERY ANALYSIS.

ANOTHER MAJOR MISSION OF CIA IS THE PRODUCTION OF FINISHED NATIONAL INTELLIGENCE AND ITS TIMELY DISSEMINATION TO THE PRESIDENT, THE NATIONAL SECURITY COUNCIL AND OTHER TOP POLICYMAKERS. CIA HAS PRODUCTION RESPONSIBILITIES FOR:

- (1) CURRENT INTELLIGENCE -- INCLUDING A SPECIAL PUBLICATION FOR THE PRESIDENT ALONE.
- (2) RESEARCH: ON A SELECTIVE BASIS, POLITICAL, ECONOMIC, SCIENTIFIC AND TECHNICAL, BIOGRAPHIC, GEOGRAPHIC, AND STRATEGIC.
- (3) ESTIMATES: NATIONAL INTELLIGENCE ESTIMATES ARE THE RESPONSIBILITY OF THE DCI AND ARE BASED ON CONTRIBUTIONS FROM ALL AGENCIES, INCLUDING CIA.
- (4) CONTRIBUTIONS TO NATIONAL SECURITY COUNCIL PAPERS.

ANOTHER MISSION OF CIA IS COVERT ACTION. THIS TERM EMBRACES OPERATIONS AND ACTIVITIES UNDERTAKEN IN SUPPORT OF U.S. POLICYOBJECTIVES, BUT WHERE SPONSORSHIP OF THE U.S. GOVERNMENT IS HIDDEN.

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COVERT ACTION -- WHETHER OF THE POLITICAL OR THE PARAMILITARY TYPE -- FALLS IN THE TWILIGHT ZONE OF GOVERNMENT OPERATIONS THAT CONGRESS HAD IN MIND WHEN IT DIRECTED CIA TO PERFORM "SUCH OTHER SERVICES" AS THE NATIONAL SECURITY COUNCIL MIGHT DIRECT. OUR CRITICS WOULD HAVE YOU BELIEVE THAT EVER SINCE CONGRESS GAVE THIS AUTHORITY IN 1947, CIA HAS DONE AS IT HAS PLEASED, WITHOUT REGARD TO OFFICIAL POLICIES OR OBJECTIVES OF THE UNITED STATES GOVERNMENT, AND SOMETIMES IN DIAMETRIC OPPOSITION TO THOSE POLICIES.

THIS IS NOT THE CASE. THE FACT IS THAT IN THOSE INFREQUENT CASES WHEN THE CIA CARRIES OUT A COVERT ACTION PROGRAM OVERSEAS, IT IS WITH THE PRIOR APPROVAL OF THE HIGHEST LEVELS OF THE GOVERNMENT. ALTHOUGH NOT ADDRESSED BY THE PRESIDENTIAL DIRECTIVE OF 1971, BUT CONTINUING TO OPERATE AT THE NSC LEVEL, IS THE SO-CALLED "40 COMMITTEE." IT IS CHAIRED BY THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS AND INCLUDES AS MEMBERS THE DCI AND SENIOR REPRESENTATIVES FROM STATE, DEFENSE AND THE JCS. THIS COMMITTEE PROVIDES THE ESTABLISHED MECHANISM FOR PROVIDING POLICY APPROVAL OVER PROPOSED COVERT ACTION PROGRAMS TO BE CARRIED OUT BY CIA. THE "40 COMMITTEE" HAS ALSO BECOME THE UNIT WHICH PASSES ON PERIPHERAL RECONNAISSANCE PROGRAMS AND OTHER SENSITIVE INTELLIGENCE OPERATIONS.

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THESE, THEN, ARE SOME OF THE PRIMARY FUNCTIONS
OF THE CENTRAL INTELLIGENCE AGENCY.

CIA ORGANIZATION

*Slide #3 Org. of
CIA*

AS FOR THE ORGANIZATION OF THE CENTRAL INTELLIGENCE
AGENCY, CIA IS DIVIDED INTO FOUR PRINCIPAL GROUPINGS --
REFERRED TO AS DIRECTORATES -- AND SEVERAL STAFF OR
SPECIAL FUNCTIONS, THE HEADS OF WHICH REPORT DIRECTLY
TO THE DIRECTOR. AN EXAMPLE OF THE LATTER IS THE OFFICE
OF LEGISLATIVE COUNSEL.

NOW FOR THE DIRECTORATES, THE DDI, OR INTELLIGENCE
DIRECTORATE, IS THE PRINCIPAL PRODUCER OF FINISHED
SUBSTANTIVE INTELLIGENCE, WHICH I REFERRED TO EARLIER.
THIS DIRECTORATE INCLUDES FUNCTIONAL OFFICER RESPONSIBLE
FOR CURRENT INTELLIGENCE, ECONOMIC RESEARCH, POLITICAL
RESEARCH, AND STRATEGIC (MILITARY) RESEARCH, WHICH
PROVIDE THE MUSCLE FOR THE PRODUCTION PROCESS. THE
DDI IS ALSO RESPONSIBLE FOR OVERT COLLECTION THROUGH
EXPLOITATION OF FOREIGN PRESS, RADIO AND PUBLICATIONS.

THE DIRECTORATE OF SCIENCE AND TECHNOLOGY, AS
THE NAME SUGGESTS, CONCENTRATES ON THE SCIENTIFIC AND
TECHNICAL ASPECTS OF THE AGENCY'S INTELLIGENCE ACTIVITIES,
INCLUDING HIGHLY SOPHISTICATED TECHNICAL COLLECTION
OPERATIONS, TOGETHER WITH THE RESEARCH AND DEVELOPMENT
SUPPORTING SUCH ACTIVITIES, AS WELL AS THE PRODUCTION

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This is a Soviet motorized rifle division located near the Sino-Soviet border in the Far East Military District. In the photograph, we can identify all the major maneuver elements of a motorized rifle division--including three motorized rifle regiments and one tank regiment. In addition, a number of combat support units, such as a signal battalion and an engineer battalion, are located here.

This Division is basically a cadre division which contains virtually all of its major combat equipment but is manned with only a small complement of troops.

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VIEWGRAPH 3

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RAMENSKOYE FLIGHT TEST CENTER

This photograph of the flight test center near Moscow shows two Backfire aircraft, the newest Soviet bomber, a TU-144 Charger, and a TU-128 Fiddler. The Backfire will be used by both Long Range (strategic) Aviation and Soviet Naval Aviation. Deployment to Naval Aviation has already begun. The aircraft will be armed with either air-to-surface missiles or free-fall bombs. The maximum speed of the Backfire is estimated to be 1,150 knots and it is believed to have a combat radius of about 3,000 nautical miles.

The TU-144 is the Soviet SST. The aircraft is now in series production. One model crashed at the Paris air show in June 1973.

The TU-128 is a long-range, all-weather interceptor. It has been operational since 1966.

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VIEWGRAPH 4

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Soviet Carrier

This is a picture of the first Soviet Kiev class aircraft carrier, currently fitting out at Nikolayev. The Soviets are building two of these ships at this Black Sea shipyard.

Although the Kiev has been labeled an aircraft carrier in the West, its capabilities and mode of employment will not be the same as US attack aircraft carriers. A typical US carrier has 70 or more aircraft including high performance long-range fighters and attack aircraft. The most likely missions for the Kiev and its aircraft will be reconnaissance and air defense. The Kiev class does not have launching catapults or arresting gear. Instead it will use a mixed complement of V/STOL (vertical and short takeoff and landing) aircraft and helicopters. The V/STOL plane for the Kiev is now in series production following some 10 years of development.

The Kiev has been under construction for five years now and we expect it will be operational early next year. The ship will carry a variety of ASW sensors and weapons and will be armed with air defense missiles and guns.

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OF SUBSTANTIVE INTELLIGENCE ON ADVANCED WEAPONS AND
OTHER S&T CAPABILITIES OF FOREIGN NATIONS. IT ALSO
ADMINISTERS THE NATIONAL PHOTOGRAPHIC INTERPRETATION
CENTER IN CLOSE COLLABORATION WITH DIA.

PHOTO 785 /

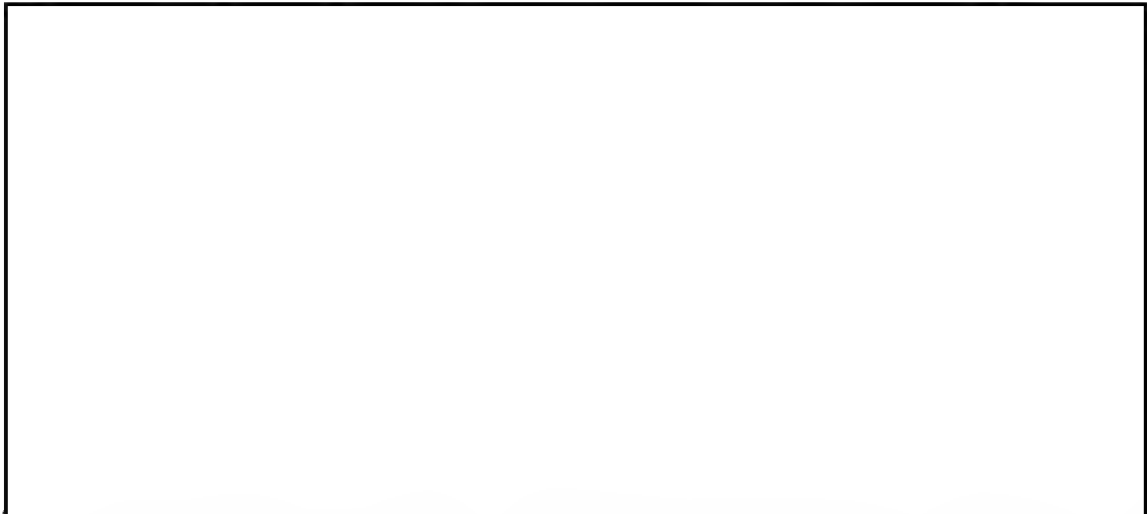
THE THIRD DIRECTORATE IS THE DIRECTORATE OF
ADMINISTRATION WHICH EMBRACES THE VERY IMPORTANT AND
HIGHLY SPECIALIZED SUPPORT SERVICES, SUCH AS SECURITY,
COMMUNICATIONS, TRAINING, PERSONNEL, FINANCE, LOGISTICS,
PRINTING AND HOUSEKEEPING FUNCTIONS. THIS DIRECTORATE
ALSO HOUSES THE AGENCY'S COMPUTER CENTER.

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NATIONAL INTELLIGENCE COMMUNITY STRUCTURE

of
Intel.
Community

TO SUM UP THIS PART OF THE PRESENTATION HERE IS
A QUICK LOOK AGAIN AT THE STRUCTURE OF THE NATIONAL
INTELLIGENCE COMMUNITY.

- AT THE POLICY LEVEL ARE THE PRESIDENT
AND THE NSC, TO WHOM THE DCI REPORTS.
- AT THE MANAGEMENT LEVEL ARE THE USIB AND
IRAC, THE TWO ADVISORY BODIES TO THE DCI
ON SUBSTANCE AND RESOURCE MANAGEMENT.
- AT THE COORDINATION LEVEL (IMPLEMENTATION)
ARE THE NIOs AND IC STAFF, WHO ASSIST THE
DCI IN HIS COMMUNITY ROLE,
- AT THE IMPLEMENTATION LEVEL (OPERATIONAL)
ARE THE AGENCIES AND DEPARTMENTAL STAFFS
WHO COLLECT, PROCESS, AND PRODUCE FOREIGN
INTELLIGENCE. (I.E., MEMBER AGENCIES OF
USIB)

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PROBLEMS, ISSUES, TRENDS, FUTURE

PROBLEMS

UNFRIENDLY PRESS -- FOLLOWING SUCCESSES IN EXPOSING THE WATERGATE AFFAIR, AND AIDED BY REVELATIONS BY FORMER CIA EMPLOYEES, THE PRESS HAS TURNED ITS ATTENTION TO THE INTELLIGENCE COMMUNITY GENERALLY AND TO THE CIA IN PARTICULAR. THE REVELATIONS FOR THE BASIS FOR PRESS ALLEGATIONS OF ILLEGAL ACTIVITIES AND EXCESSES IN INTELLIGENCE OPERATIONS. WHILE THE CHARGES BEING MADE REFER IN THE MAIN TO ACTIVITIES WHICH WERE, IN FACT, BOTH CORRECT AND NECESSARY, AN INORDINATE AMOUNT OF TIME AND EFFORT IS BEING DEVOTED TO PREPARING MATERIAL AND TESTIFYING BEFORE A VARIETY OF COMMISSIONS AND CONGRESSIONAL INVESTIGATING BODIES. THE HOSTILITY OF THE PRESS AND THE NATURAL DESIRE TO EXPLAIN OR REFUTE THE CHARGES MADE WILL CERTAINLY LEAD TO A BROADENING OF THE DISCUSSION AND FURTHER REVELATIONS OF DETAILS OF HERETOFORE SECRET INTELLIGENCE ACTIVITIES. I SEE NO EARLY END TO THIS PRESS HOSTILITY, AND IT WILL BE INCUMBENT ON THE INTELLIGENCE COMMUNITY AS A PART OF OUR GOVERNMENT STRUCTURE, TO RESPOND TO THE OFFICIAL INVESTIGATIONS AND QUERIES WHICH ARE GENERATED. ONE OF OUR GOALS WILL BE TO PROTECT THE MOST VITAL CLASSIFIED

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ACTIVITIES WHICH ARE ESSENTIAL FOR CONTINUED SUCCESS OF OUR NATIONAL INTELLIGENCE UNDERTAKINGS.

A CONCERNED CONGRESS -- THE MAKE-UP AND ATTITUDE OF THE 94TH CONGRESS, AIDED AND ABETTED BY THE HOSTILE PRESS, PRESENTS US WITH WHAT IS ESSENTIALLY A CONGRESS ALSO CONCERNED ABOUT THE INTELLIGENCE COMMUNITY. CONGRESSIONAL CONCERN SEEMS TO TAKE THE FORM OF SUSPICION AND A POSSIBLE LACK OF CONFIDENCE RATHER THAN OPEN HOSTILITY AS IN THE PRESS, ALTHOUGH THERE ARE MINOR ELEMENTS OF OPEN HOSTILITY EVEN IN CONGRESS. CERTAINLY CONGRESS MUST REACT TO THESE CONCERNS, AS INDEED THEY ARE REACTING ACROSS A BROAD FRONT. IN THE LONG RUN I'M SURE THE COMMUNITY WILL BE HELD ACCOUNTABLE TO CONGRESS IN A MORE DETAILED WAY AND PROBABLY THROUGH SOME NEW MECHANISMS SUCH AS A JOINT INTELLIGENCE OVERSIGHT COMMITTEE. THERE MAY BE ADVANTAGES TO THIS IN THAT A CONGRESSIONAL COMMITTEE DEDICATED TO REVIEWING INTELLIGENCE ACTIVITIES COULD BE A SOURCE OF UNDERSTANDING, SUPPORT AND DEFENSE AGAINST OTHER HOSTILITIES. *W. L. Galt*

PROTECTION OF SOURCES AND METHODS -- ONE OF THE KEYS TO CONTINUED SUCCESS OF THE INTELLIGENCE EFFORT IS THE PROTECTION FROM PUBLIC DISCLOSURE OF THE TECHNIQUES, METHODS AND SOURCES BY WHICH WE ACHIEVE SUCCESS. IN-

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FORMATION WE OBTAIN IS LIKELY TO BE LESS SENSITIVE THAN THE METHOD OR SOURCE FROM WHICH IT CAME. THE INFORMATION MAY BE TRANSITORY, BUT THE SOURCE MUST BE PROTECTED TO SERVE AGAIN. IN SOME CASES, INFORMATION ITSELF MAY REVEAL THE SOURCE OR METHOD BY WHICH IT WAS PROCURED. THUS, WE CLASSIFY INFORMATION TO PROTECT THE TEMPORARY ADVANTAGE WE GAIN BY HAVING IT, BUT MORE IMPORTANTLY TO PROTECT THE MEANS BY WHICH WE GOT IT. THIS PROTECTION OF SOURCES AND METHODS IS, BY FEDERAL LAW, THE RESPONSIBILITY OF THE DCI, AND IS AT THE ROOT OF MOST OF OUR CLASSIFICATION AND CONTROL SYSTEMS. PRESS REVELATIONS, THE NEED TO MAKE DETAILED EXPLANATIONS FOR PUBLIC RECORD, AND SUCH OTHER ACTIONS AS THE NEW FREEDOM OF INFORMATION ACT (PASSED BY CONGRESS OVER PRESIDENT FORD'S VETO), ALL SERVE TO COMPLICATE EFFECTIVE EXECUTION OF THIS RESPONSIBILITY BY THE DCI.

TIGHTER BUDGETS -- DURING THE 1960s, THE INTELLIGENCE COMMUNITY ENJOYED EXPANSION AND INCREASING BUDGETS, PRIMARILY BECAUSE OF TECHNOLOGICAL ADVANCES AND SUPPORT TO THE SOUTHEAST ASIA CONFLICT. HOWEVER, OVER THE PAST FOUR OR FIVE YEARS, THERE HAVE BEEN CONCERTED EFFORTS TO MAKE REDUCTIONS IN INTELLIGENCE RESOURCES AND TO HOLD THE ANNUAL BUDGET AT A LEVEL

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FIGURE. THESE ACTIONS, PLUS THE IMPACT OF INFLATION, HAVE CAUSED MAJOR REDUCTIONS IN OPERATIONAL RESOURCES, ESPECIALLY IN MANPOWER. OVER THE PAST FIVE YEARS WE HAVE ABSORBED ABOUT A 40 PERCENT REDUCTION IN INTELLIGENCE MANPOWER, MOSTLY IN THE DEFENSE STRUCTURE. ONLY A SMALL PART OF THIS IS ATTRIBUTED TO THE DRAWDOWN IN SOUTHEAST ASIA. MOST OF IT RESULTS FROM INFLATIONARY EROSION AS WE ATTEMPT TO MAINTAIN OUR TECHNICAL SYSTEMS. THE PROFICIENCY AND CAPABILITY OF OUR TECHNICAL ADVANCES, HOWEVER, HAS ENABLED US UP TO THIS POINT TO TAKE THESE MANPOWER REDUCTIONS WITHOUT UNACCEPTABLE DAMAGE TO MISSION ACCOMPLISHMENT. THE CHALLENGE IN THE YEARS AHEAD, OF COURSE, WILL BE TO MAINTAIN AND EVEN INCREASE OUR INTELLIGENCE CAPABILITIES WHILE CONTINUING TO ABSORB INFLATIONARY TRENDS WITHOUT SUBSTANTIALLY LARGER BUDGETS.

LET ME MENTION SOME PARTICULAR ISSUES DIRECTLY RELATED TO THE TIGHT BUDGET PROBLEM.

MANPOWER IMPLICATIONS -- INTELLIGENCE IS A MANPOWER-INTENSIVE EFFORT. BETTER THAN 50 PERCENT OF OUR INTELLIGENCE BUDGET GOES TO PAY THE SALARIES OF OUR PEOPLE. THE REST GOES FOR TECHNICAL SYSTEMS, EQUIPMENT INVESTMENT, RESEARCH AND DEVELOPMENT, AND SUPPORT ACTIVITIES. EACH NEW BUDGET CRUNCH USUALLY RESULTS IN FURTHER MANPOWER REDUCTIONS, BECAUSE IT'S EASIER TO CUT DOWN ON SALARIES

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THAN IT IS TO DISCARD A TECHNICAL SYSTEM, A BUILDING OR A COMMUNICATIONS NETWORK. UNPALATABLE AS IT IS, I'M AFRAID THIS TREND WILL CONTINUE. CERTAINLY WE WON'T HAVE ANY NET MANPOWER INCREASES IN THE FORESEEABLE FUTURE. ONE SOLUTION LIES IN RESEARCH AND DEVELOPMENT EFFORTS TO MAKE OUR MANPOWER RESOURCES MORE PRODUCTIVE THROUGH USE OF LABOR-SAVING DEVICES, MODERNIZED METHODS AND AUTOMATED ASSISTANCE TO HUMAN FUNCTIONS.

DEMANDS VS. RESOURCES -- WE ARE CONSTANTLY FACED WITH INTELLIGENCE REQUIREMENTS WHICH EXCEED OUR ABILITY, WITHIN EXISTING RESOURCES, TO SATISFY. A LEVEL BUDGET COMPLICATED BY INFLATION PRECLUDES ADDITIONAL RESOURCES. INSTEAD, WE MUST PROVIDE TRADE-OFFS. WHEN WE TAKE ON A NEW TASK, SOMETHING ELSE MUST YIELD. THESE ARE HARD DECISIONS AND THEY ARE ALMOST ALWAYS UNPOPULAR.

COLLECTION VS. EXPLOITATION -- ADVANCES IN OUR TECHNICAL SYSTEMS MAKE IT POSSIBLE FOR US TO COLLECT MORE INFORMATION THAN WE CAN EXPLOIT. BY "EXPLOITATION" I MEAN THE ABILITY TO PROCESS RAW DATA INTO MEANINGFUL INFORMATION, ANALYZE IT, AND USE IT EFFECTIVELY IN AN INTELLIGENCE REPORT, STUDY, OR ESTIMATE. NEARLY TWO-THIRDS OF OUR INTELLIGENCE RESOURCES ARE DEVOTED TO COLLECTION, AND LESS THAN 20 PERCENT ARE DEVOTED TO

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EXPLOITATION. THUS, THE IMBALANCE BETWEEN COLLECTION AND EXPLOITATION IS AN EVER-PRESENT CONCERN.

THESE BUDGET-RELATED ISSUES -- MANPOWER LOSSES, INCREASING REQUIREMENTS, AND COLLECTION EFFECTIVENESS -- ALL UNDERScore THE INCREASED IMPORTANCE OF INTELLIGENCE RESOURCES MANAGEMENT AND EVALUATION. DR. HALL'S STAFF AND THE DCI'S INTELLIGENCE COMMUNITY STAFF ARE DEVOTING NEARLY FULL TIME WORKING TOGETHER TO FIND THE BEST SOLUTIONS TO THESE AND SIMILAR ISSUES.

LONG RANGE PLANNING -- IN THE MANAGEMENT AND OPERATION OF THE INTELLIGENCE COMMUNITY, IT IS ALL TOO EASY *PERHAPS* TO BECOME SO ENGROSSED IN CURRENT AND SHORT-TERM PROBLEMS THAT WE TEND TO NEGLECT THE LONGER-RANGE FUTURE. THE RATHER FUNDAMENTAL CHANGES NOW TAKING PLACE IN THE WORLD SCENE AND THE MANNER IN WHICH THE INTELLIGENCE COMMUNITY WILL BE EXPECTED TO REACT TO THESE CHANGES HAVE REEMPHASIZED TO US THE NEED FOR A BETTER PLANNING SYSTEM. THE DCI, THROUGH HIS INTELLIGENCE COMMUNITY STAFF HAS TAKEN THE LEAD IN THIS EFFORT THROUGH ISSUANCE OF "INTELLIGENCE PERSPECTIVES 1975-1980."

THIS DOCUMENT LAYS OUT THE MID-TERM ACTIONS TO BE TAKEN WITHIN THE COMMUNITY, BOTH SUBSTANTIVE AND MANAGERIAL. GENERAL ALLEN'S AGENCY HAS PRODUCED A NATIONAL SIGINT PLAN, WHICH IS CURRENTLY UNDERGOING FINAL REVIEW, AND

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WE ARE BEGINNING DEVELOPMENT OF A NATIONAL IMAGERY PLAN.
IN THE NEAR FUTURE WE HOPE TO START ON A NATIONAL HUMAN
SOURCES PLAN. ALL OF THESE PLANS SHOULD ULTIMATELY LEAD
TO DEVELOPMENT OF A NATIONAL INTELLIGENCE STRATEGY.

NATIONAL/TACTICAL INTERFACE -- ONE OF THE SPECIFIC
CHARGES GIVEN TO THE DCI BY THE PRESIDENT WAS TO REVIEW
THE EFFECTIVE UTILIZATION OF ALL INTELLIGENCE RESOURCES,
INCLUDING SO-CALLED "TACTICAL" RESOURCES. "TACTICAL"
RESOURCES ARE THOSE INTELLIGENCE ACTIVITIES SERVING
IN DIRECT SUPPORT OF OUR DEPLOYED MILITARY FORCES. I
PREFER TO CALL THEM MILITARY FORCE SUPPORT ACTIVITIES.
TO A GREAT EXTENT, THESE RESOURCES ARE NOT INCLUDED IN
OR REVIEWED AS A PART OF THE NATIONAL INTELLIGENCE PRO-
GRAMS. THUS, THERE ARISES THE ISSUE OF HOW WE CAN MAKE
COMPARISONS IN USE AND EFFECTIVENESS OF NATIONAL RESOURCES
AND THE MILITARY FORCE SUPPORT RESOURCES. AS YOU CAN
READILY APPRECIATE, THERE IS A STRONG RISK OF DUPLICATION
BETWEEN THESE TWO CATEGORIES OF RESOURCES, AND THE IDEN-
TITY OF INTERFACES BETWEEN THEM IS A MAJOR MANAGEMENT
PROBLEM. SIMPLY PUT, IT'S A MATTER OF DETERMINING HOW
NATIONAL RESOURCES CAN BE APPLIED TO SATISFY OPERATIONAL
NEEDS OF MILITARY COMMANDERS AND, ALTERNATIVELY, HOW
THE INTELLIGENCE RESOURCES, ORGANIZED AS PART OF THE
MILITARY FORCE STRUCTURE, MIGHT CONTRIBUTE USEFULLY

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TO NATIONAL INTELLIGENCE REQUIREMENTS. ONCE WE DO THAT AND IMPLEMENT MUTUAL SUPPORT PROCESSES, WE CAN ACHIEVE SUBSTANTIAL ECONOMY OF RESOURCES. THAT IS OUR OBJECTIVE. THE DCI, THROUGH HIS INTELLIGENCE COMMUNITY STAFF, HAS UNDERTAKEN A COMPREHENSIVE STUDY OF THIS PROBLEM WITH THE JOINT CHIEFS OF STAFF.

WARNING -- A PRINCIPAL OBJECTIVE OF THE INTELLIGENCE COMMUNITY -- INDEED, ONE OF THE MAIN REASONS FOR ITS ESTABLISHMENT -- IS TO BE ABLE TO WARN OF ENEMY ATTACK, MOST NOTABLY SOVIET STRATEGIC ATTACK. FOR MANY YEARS,

THIS HAS BEEN THE FUNCTION OF THE USIB WATCH COMMITTEE. ~~WE ARE NOW IN THE PROCESS OF ESTABLISHING A NEW~~
~~MECHANISM UNDER A SPECIAL ASST. TO THE DCI FOR STRATEGIC~~
~~WARNING WHICH WILL BE AN EXTRA HAT FOR THE~~
~~DDI OF DIA. HE WILL BE SUPPORTED BY A STAFF~~
~~OF THE STRATEGIC WARNING~~
~~STAFF~~

HEADED BY A SENIOR CIA OFFICER AND CO-LOCATED WITH THE NATIONAL MILITARY INTELLIGENCE CENTER IN THE PENTAGON.

THIS ~~STAFF~~ STAFF WILL FOCUS EXCLUSIVELY ON THE BIG "W" QUESTION -- INDICATIONS OF STRATEGIC BY THE USSR & CHINA. ATTACK. OTHER WARNING PROBLEMS SUCH AS, FOR EXAMPLE, A PERUVIAN ATTACK ON CHILE -- WHICH WE REFER TO AS THE SMALL "W" PROBLEMS -- WILL BE HANDLED IN A NEW KIND OF ALERT MEMORANDA TO BE ISSUED BY THE DCI TO THE HIGHEST LEVEL POLICYMAKERS.

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CRISIS MANAGEMENT -- A RELATED PROBLEM CONCERNS HOW BOTH WASHINGTON POLICYMAKERS AND INTELLIGENCE OFFICIALS DEAL WITH A CRISIS ONCE IT HAS STARTED. THE INTELLIGENCE COMMUNITY -- IN ADDITIONAL TO ESTABLISHING ITS OWN PROCEDURES AND COMMUNICATIONS NETS FOR THE COLLECTION, PRODUCTION AND PRESENTATION OF CRISIS INTELLIGENCE -- IS PARTICIPATING IN A JOINT STUDY (UNDER NSC AUSPICES) OF THE MOST EFFECTIVE WAYS TO HANDLE CRISES, UP TO AND INCLUDING CRISES WHICH THREATEN TO BECOME NUCLEAR CRISES. MAJOR CHANGES ARE OCCURRING IN THIS AREA, BASED ON LESSONS WE HAVE LEARNED RECENTLY. WE HOPE TO DEAL MORE EFFECTIVELY WITH FUTURE CRISIS SITUATIONS.

TRENDS

1. TECHNICAL CAPABILITIES -- THE MOST DRAMATIC CHANGE IN TODAY'S MEANING OF THE WORD "INTELLIGENCE" STEMS FROM THE TECHNOLOGICAL GENIUS OF AMERICANS. WE HAVE APPLIED TO INTELLIGENCE THE TALENTS OF OUR INVENTORS, OF OUR ENGINEERS, AND OF OUR SCIENTISTS. IN THE SHORT SPACE OF EIGHTEEN YEARS SINCE THE U-2 BEGAN ITS MISSIONS, WE HAVE REVOLUTIONIZED INTELLIGENCE. IN 1960 THIS COUNTRY ENGAGED IN A GREAT DEBATE AS TO WHETHER THERE WAS A MISSILE GAP BETWEEN THE SOVIET UNION AND OURSELVES. TODAY THE FACTS ARE SO WELL ESTABLISHED THAT SUCH A DEBATE IS IMPOSSIBLE. THEN WE HAD TO TRY TO DEDUCE FROM BITS OF CIRCUMSTANTIAL EVIDENCE HOW MANY

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THIS TECHNICAL CONTRIBUTION TO INTELLIGENCE NOT ONLY PROVIDES A BETTER BASIS FOR DECISIONS ABOUT THE NATIONAL SECURITY OF THE UNITED STATES, IT ALSO ENABLES US TO NEGOTIATE AGREEMENTS SUCH AS THE NUCLEAR TEST BAN TREATY AND THE STRATEGIC ARMS LIMITATION TREATY. OVER THE YEARS SUCH LIMITATION TREATIES WERE ALWAYS STOPPED BY ONE ESSENTIAL FEATURE: THE UNITED STATES NEEDED SOME ASSURANCE THAT THE OTHER PARTY WOULD ABIDE BY A TREATY'S RESTRAINTS. THUS WE CAME UP WITH THE "OPEN SKIES" PROPOSAL AND TRIED TO NEGOTIATE ON-SITE INSPECTION PROCEDURES. THE SOVIET LEADERS REJECTED THESE BECAUSE THEY BELIEVED SUCH MEASURES WOULD PERMIT FOREIGNERS AN UNDUE DEGREE OF ACCESS TO THEIR SOVEREIGN TERRITORY.

IT WAS ONLY AFTER AMERICAN INTELLIGENCE DEVELOPED THE ABILITY TO MONITOR SUCH AGREEMENTS FROM AFAR, THROUGH TECHNICAL MEANS, THAT WE ON OUR SIDE BECAME SUFFICIENTLY CONFIDENT TO BEGIN THE PROCESS OF MUTUAL ARMS LIMITATION. IN THE TEXT OF THE FIRST SALT AGREEMENT, INTELLIGENCE

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WAS EVEN ADMITTED TO POLITE DIPLOMATIC SOCIETY UNDER THE NAME OF "NATIONAL TECHNICAL MEANS OF VERIFICATION."

TECHNOLOGY HAS REVOLUTIONIZED THE INTELLIGENCE BUSINESS IN MANY OTHER WAYS BEYOND THOSE I JUST DESCRIBED. THEY PROVIDE A PRECISION TO OUR KNOWLEDGE OF THE WORLD AROUND US, WHICH WAS INCONCEIVABLE ONLY A FEW YEARS AGO.

2. ECONOMIC INTELLIGENCE EMPHASIS -- ANOTHER DEVELOPMENT IN RECENT YEARS HAVING AN IMPACT ON INTELLIGENCE REPORTING IS THE NEW EMPHASIS ON FOREIGN ECONOMIC DEVELOPMENTS. THIS TREND CONTINUES TO INCREASE AS THE U.S. IS EVER MORE DEPENDENT ON FOREIGN SOURCES FOR ENERGY AND OTHER RAW MATERIALS, AS MULTI-NATIONAL CORPORATIONS INCREASE THEIR OPERATIONS, AND AS THE U.S. CONTINUES ATTEMPTS TO MAINTAIN A COMPETITIVE POSITION IN THE WORLD MARKETPLACE. INDEED, OUR PREVIOUS INTELLIGENCE POSTURE TO CONTEND WITH MILITARY CONFLICT AND THE SO-CALLED "COLD WAR" HAS GIVEN WAY TO A LARGE EXTENT TO CONTEND WITH WORLD-WIDE ECONOMIC COMPETITION. THE ADDITION OF THE TREASURY DEPARTMENT AS A FULL PARTICIPANT IN THE INTELLIGENCE COMMUNITY AND THE INCREASING VOLUME OF ECONOMIC INTELLIGENCE REQUIREMENTS BEING ADDRESSED IN THE COMMUNITY PARTICULARLY BY CIA, ARE MANIFESTATIONS OF THIS NEW EMPHASIS. IT IS CERTAIN TO GROW IN IMPORTANCE AND VOLUME OF EFFORT.

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AS OUR INTELLIGENCE CAPABILITIES HOLD LEVEL OR DECLINE, THIS EMPHASIS ON ECONOMICS MUST BE AT THE EXPENSE OF OTHER INTELLIGENCE ENDEAVORS, MORE LIKELY THAN NOT IN THE MILITARY INTELLIGENCE EFFORT.

3. CLOSER COMMUNITY -- ALL THE PROBLEMS I HAVE JUST TOUCHED ON -- PRESS AND CONGRESSIONAL UNFRIENDLINESS, THE NEED TO PROTECT OUR SENSITIVE SECRETS, AND THE EVER TIGHTENING BUDGETS -- DICTATE THAT WE DRAW OUR INTELLIGENCE COMMUNITY WAGONS INTO A CIRCLE. TO REMAIN EFFECTIVE, WE NEED TO ELIMINATE DUPLICATION, ACHIEVE GREATER CENTRALIZATION OF COMMON SERVICES, AND SEEK MAXIMUM ECONOMY OF OPERATIONS. THIS IS THE MANAGEMENT CHALLENGE THAT OCCUPIES AN INCREASING AMOUNT OF TIME FOR THE DCI AND MANY OTHERS IN THE INTELLIGENCE COMMUNITY.

4. CUSTOMER CONFIDENCE -- PROBABLY THE MOST SIGNIFICANT RESULT WE ARE ACHIEVING IS THE INCREASED SATISFICATION BEING PROVIDED TO OUR KEY CUSTOMERS -- THE PRESIDENT, THE NATIONAL SECURITY COUNCIL, THE SECRETARIES OF STATE, DEFENSE, AND TREASURY, AND THE DCI'S INTELLIGENCE SUPPORT TO KEY COMMITTEES OF THE CONGRESS. AS THE PRODUCTS OF THE INTELLIGENCE COMMUNITY HAVE IMPROVED, AND THE PRESENTATIONS BECOME MORE EFFECTIVE, KEY OFFICIALS HAVE BECOME MORE

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APPRECIATIVE. THEY RELY ON US FOR TIMELY AND DEPENDABLE INTELLIGENCE, AND THEIR CONFIDENCE IN US IS OBVIOUSLY GROWING. I AM COMPLETELY SATISFIED THAT OUR SUBSTANTIVE PERFORMANCE HAS A VERY HIGH DEGREE OF ACCEPTANCE AMONG THE IMPORTANT CUSTOMERS WE SERVE.

5. COLBY LEADERSHIP -- THE KEY TO CLOSER COMMUNITY TIES AND THE INCREASING CONFIDENCE OF OUR CUSTOMERS IS THE LEADERSHIP OF THE DCI -- NOT IN HIS ROLE AS CHIEF OF THE CIA, BUT IN HIS STATUTORY ROLE AS COORDINATOR OF THE TOTAL FOREIGN INTELLIGENCE EFFORT OF THE U.S. GOVERNMENT. THE PRESIDENT HAS EMPHASIZED THIS LEADERSHIP CHARGE TO THE DCI AS THE MOST IMPORTANT OF ALL HIS FUNCTIONS. MR. COLBY GIVES THE GREATEST PART OF HIS TIME TO DOING JUST THAT, AND HIS EFFORTS ARE SHOWING INCREASING SUCCESS.

THE FUTURE

WE SEE SEVERAL MAJOR ACTION AREAS THAT WILL OCCUPY OUR TIME AND ATTENTION DURING THE MONTHS (AND YEARS) AHEAD.

WE MUST COMPLETE AND IMPROVE OUR COMMUNITY FAMILY OF INTELLIGENCE PLANS, LEADING TO DEVELOPMENT OF A NATIONAL INTELLIGENCE STRATEGY.

WE MUST CONTINUE TO IMPROVE MANPOWER UTILIZATION BY PROVIDING MODERN TECHNIQUES AND METHODOLOGIES.

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THE DAY IS NOT FAR OFF WHEN THE INTELLIGENCE ANALYST WILL WORK AT A CRT TIED TO AUTOMATED DATA BASES RATHER THAN RELYING ON SAFES FULL OF PAPER FILES.

WE NEED BETTER MUTUAL SUPPORT BETWEEN NATIONAL INTELLIGENCE AND MILITARY COMMAND INTELLIGENCE ACTIVITIES -- THE NATIONAL/TACTICAL INTERFACE.

WE NEED GREATER FLEXIBILITY IN THE INTELLIGENCE COMMUNITY TO MEET CRISIS SITUATIONS AND ADJUST RAPIDLY TO CHANGING REQUIREMENTS.

CONCLUSION

I HAVE LAID OUT FOR YOU A BRIEF PICTURE OF OUR INTELLIGENCE COMMUNITY AND THE POLICY STRUCTURE WHICH IT SUPPORTS IN WASHINGTON. I'VE ALSO COVERED A NUMBER OF THE PROBLEMS AND ISSUES CONFRONTING US, AND SOME OF THE TRENDS AND FUTURE ACTIONS WE SEE.

QUESTIONS YOU MAY HAVE WILL BE ADDRESSED

AFTER THE BREAK

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SUPERVISION OF CIA ACTIVITIES

YOU ARE ALL AWARE OF THE CURRENT CONTROVERSY IN THE PRESS AND IN CONGRESS REGARDING THE NATURE AND EXTENT OF SUPERVISION OF CIA THAT IS DESIRABLE. UNQUESTIONABLY SOME CHANGES IN CONGRESSIONAL SUPERVISORY ARRANGEMENTS WILL BE MADE AS A RESULT OF THE HEARINGS NOW IN PROGRESS, REFLECTING CHANGED PUBLIC AND CONGRESSIONAL ATTITUDES. HOWEVER, I WOULD LIKE TO SAY THAT, CONTRARY TO GENERAL IMPRESSION, CIA HAS BEEN SUBJECT TO RESPONSIBLE AND AUTHORITATIVE SUPERVISION ON A CONTINUING BASIS BY INSTRUMENTS OF BOTH THE EXECUTIVE AND LEGISLATIVE BRANCHES OF THE GOVERNMENT. IN THE SENATE AND HOUSE THIS SUPERVISION HAS BEEN EXERCISED BY SPECIAL SUBCOMMITTEES OF THE APPROPRIATIONS AND ARMED SERVICES COMMITTEES. IN THE EXECUTIVE BRANCH, CIA IS UNDER CONTINUING SCRUTINY BY THE PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD, THE OFFICE OF MANAGEMENT AND BUDGET, AND THE VARIOUS COMMITTEES OF THE NATIONAL SECURITY COUNCIL SYSTEM. THESE COMMITTEES PROVIDE AN EFFECTIVE MECHANISM FOR THE INTEGRATION OF THE AGENCY'S ACTIVITIES WITH OTHER OVERSEAS OPERATIONS OF OUR GOVERNMENT.

OVERSEAS, THE PRINCIPLES OF SUPERVISION AND ACCOUNTABILITY ARE CONTINUED BY THE COUNTRY TEAMS, WHERE ALL AGENCIES ATTACHED TO AN EMBASSY, INCLUDING CIA, OPERATE UNDER THE GENERAL SUPERVISION OF THE AMBASSADOR.

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SPECIALIZED SKILL AND DEDICATION TO A DEGREE NOT
REQUIRED BEFORE.

NOT COMPETITIVE OR DUPLICATING.

EACH DO OUR SHARE.

ATTACHE HAS ACCESS TO PEOPLE AND INSTALLATIONS.

--WHEELER TO SILOS.

WE CAN AND MUST WORK TOGETHER. WE SHALL HAVE
FEWER FIREMEN. WE MUST KNOW WHERE FIRE HAZARDS ARE.
IF I WERE TO SUM UP MY EXPERIENCE IN THE AGENCY
DURING THE LAST ^{3 YEARS} ~~17 MONTHS~~, IT WOULD BE IN ONE WORD--
REASSURANCE. TECHNOLOGICAL COMPETENCE, DEDICATION
AND CONTINUITY.

"WE ARE CAPTIVES IN A FREE LAND. A LONG TIME
AGO WE WENT LOOKING FOR FREEDOM AND FREEDOM FOUND
US AND CAPTURED US. WE HAVE BEEN SENTENCED TO LIVE
BY JUST LAWS, LEVELED BY EQUALITY, CHARGED BY FAITH
AS OUR BROTHERS' KEEPERS, HEMMED IN BY OUR NEIGH-
BORS' PERSONAL LIBERTIES, AND DRAFTED FOR THE DURA-
TION, BY THE RIGHTS OF AMERICANS YET UNBORN."

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